(c) to (e) All the tenderers were qualified to bid. One of the firms gave a clarification subsequently regarding its experience in the manufacture of Spreaders and this clarification was accepted.

Financial assistance to new industries in backward areas

934. SHRIMATI PRATIBHA SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government had decided to extend the 'No Industry District' scheme for providing concessional/ Financial assistance to new industries in backward districts of various States; if so, what are the details thereof; and

(b) if reply to part (a) above be in the negative, what steps Government have taken or propose to take to narrow regional imbalance in the industrial sector of various industrially backward States?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) The report of the Inter-Ministerial Committee set up to review and revise the existing incentive scheme for Backward Areas, is under consideration.

Leasing of machinery to small sector by National Small Industrial Development Corporation

935. SHRIMATI PRATIBHA SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the National Small Industrial Development Corporation has recently started leasing of machinery to small sector; if so, what are the details thereof;

(b) what differentiation the National Small Industrial Development Corporation have made between hire-purchase of machinery and leasing of machinery to small sector;

(c) whether N.S.I.D.C. are still insisting on collective security from small scale sector in spite of Government's directive not to do so; and

(d) if so, what is Government's reaction in the matter?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) Yes, Sir. The National Small Industries Corporation has launched the Equipment Leasing Scheme for small scale sector w.e.f. 1st January, 1987. The salient features of the scheme are given in the enclosed Statement-I (*See below*).

(b) The differentiation between hire-purchase and equipment leasing is given in the enclosed Statement—II (*See* below).

*(c) and (d) In the case of Equipment Leasing, the Lessee is to provide guarantees from responsible persons and men of means to ensure the repayment of Corporation's dues, wherever called upon to do so but in the case of limited Companies, at least two share holders/Directors and in case of Cooperative Society/Trust, two credit worthy office bearers of the Society/Trust acceptable to the NSIC shall stand as guarantors in their individual capacity for the machine(s) to be supplied by the Corporation on the lease agreement basis. In the case of hire-purchase scheme also, no collateral security is asked for supply of machines costing upto Rs. 6 lakhs. Beyond this amount, the parties are required to furnish security in the form of Bank guarantee etc.

Government have not issued any directive.

Statement—I

1. The objective of the scheme is to assist the small scale units for modernisation, technological upgradation and expansion of production facilities.

2. The unit should have a valid SSI registration certificate.

3. The unit must be existing and financially viable.

4. Minimum value of equipment to be supplied will be Rs. 1 lakh and maximum value of the equipment to be supplied will be Rs. 35 lakhs.

5. Basic lease will be for a period of 5 years.

6. The lease rental will be Rs. 20 per thousand per month of the total cost of the equipment to be supplied.

7. The unit will have to pay the following before the order for equipment can be placed on the supplier:—

   (i) Amount equal to three months' rental in advance; and

   (ii) Approximately 7 per cent of the equipment to cover the Insurance Charges of the machinery for the period of lease i.e. 5 years and administrative and collection charges of the Corporation.

8. On expiry of the lease period and payment of full lease rentals, lease can be renewed at nominal amount for another term.

Statement—II

1. In the case of Hire Purchase Scheme, the parties are required to pay Earnest Money deposit ranging from 10 per cent to 30 per cent of the value of the machinery, whereas in the case of Equipment Leasing, the parties have to pay only three months' rental as advance, which works out to approximately 6 per cent of the value of the equipment.

2. In case of Higher Purchase Scheme, the ownership of the machinery passes on to the party on payment of the full dues, whereas in case of Equipment Leasing, the ownership remains with the Corporation.

3. In case of Hir Purchase Scheme, the Corporation can charge only the interest portion of the instalments to the Profit & Loss Accounts, whereas in case of Equipment Leasing, full amount of the rentals can be charged to the Profit & Loss Account of the unit.

Closure of Kiln unit of Mandhar plant of CCI in Madhya Pradesh

936. SHRI AJIT P. K. JOGI: Will the Minister of INDUSTRY be pleased to state:

(a) whether a plant of Cement Corporation of India at Mandhar in Raipur district of Madhya Pradesh has closed its Kiln Unit on the 7th March, 1987;

(b) if so, what are the reasons for the closure of the Unit;

(c) whether it is a fact that quantity of slurry in the smoke chamber after the closure of Kiln has increased; if so, to what extent; and

(d) the reaction of the Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES IN THE MINISTRY OF INDUSTRY (PROF. K. K. TEWARY): (a) and (b) Kiln Unit of Mandhar Plant of Cement Corporation of India remained closed